

State of California

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Legislative Change No.

03-27

Bill Number: SB 157

Author: Horton

Chapter Number: 03 702

Laws Affecting Franchise Tax Board: Revenue and Taxation Code Sections 6025, 6026, 6027, 6028, 6029, 6030 and 6031.

Date Filed with the Secretary of the State: October 8, 2003

SUBJECT: Streamline Sales Tax Project/Board Of Governance/Includes One Member Of FTB

Senate Bill 157# (Horton), as enacted on October 8, 2003, made the following changes to California law:

Section 6025 of the Revenue and Taxation Code is added:

This act identifies the "Streamline Sales Tax Project."

Section 6026 of the Revenue and Taxation Code is added:

This act defines the:

- board of governance and the designees,
- certified automated system and the service provider,
- person, sales tax, purchaser, seller, and sourcing, and
- signatory and use tax.

Section 6027 of the Revenue and Taxation Code is added:

This act creates in state government a Board of Governance (board) consisting of two members of the Senate, two members of the Assembly, one member of the State Board of Equalization, one member of the Franchise Board, and one member of the Governor's Department of Finance.

Section 6028 of the Revenue and Taxation Code is added:

This act provides that the state's decision to participate in the Streamlined Sales Tax Project shall not invalidate, amend, or otherwise modify, in whole or in part, any provision of the law of this state.

Bureau Director

Jana Howard for Brian Putler

Date

11/4/03

Section 6029 of the Revenue and Taxation Code is added:

This act states that that the board may not enter into the agreement, unless the agreement requires each state to abide by certain requirements. The requirements include the establishment of restrictions to limit over time the number of state rates.

The agreement shall establish uniform standards for:

- sourcing of transactions to taxing jurisdictions,
- administration of exempt sales,
- sales and use tax returns and remittances,
- central electronic registration system,
- collection of sales and use taxes, and
- reduction of the burdens of complying with local sales and use taxes.

Section 6030 of the Revenue and Taxation Code is added:

This act provides an agreement for a mechanism among the members to establish and maintain a cooperative system for the application and administration of sales and use taxes.

Section 6031 of the Revenue and Taxation Code is added:

This act provides that the agreement applies exclusively for the benefit of California and the other participating states. The agreement is not intended to benefit any person other than a participating state.

This act is effective January 1, 2004.

This act will not require any reports by the department to the Legislature.